Department of Fisheries and Aquaculture

Annual Accountability Report for 2011-2012

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Accountability Statement

The accountability report of the Department of Fisheries and Aquaculture for the year ended March 31, 2012 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Department of Fisheries and Aquaculture Statement of Mandate for the fiscal year 2011-2012. The reporting of the Department of Fisheries and Aquaculture outcomes necessarily includes estimates, judgments and opinions by department management.

We acknowledge that this accountability report is the responsibility of Department of Fisheries and Aquaculture management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the department's 2011-2012 Statement of Mandate.

Sterling W. W. Belliveau
Minister

Rosalind Penfound
Deputy Minister

Message from the Minister

I am pleased to present the Department of Fisheries and Aquaculture accountability report for 2011-2012.

The fisheries and aquaculture sectors are the backbone of Nova Scotia's coastal rural communities. They are fundamental to the economic success and social fabric of our province. The seafood industry is worth more than $1 billion to the economy each year.

In 2011-2012 the legislative framework which supports the fisheries was updated, creating the *Fish Harvester Organizations Support Act* and the *Fish Harvesters Registration and Certification Act*. The department also continued to develop a strategic approach to industry growth and sustainable resource management with the Aquaculture Strategy, and ongoing work on a coastal strategy to optimize the use and protection of our coastline.

The department continued to promote local fish, seafood products and sportfishing. I encourage readers to visit the department's website at http:/www.gov.ns.ca/fish to learn more about fisheries and aquaculture in Nova Scotia.

Hon. Sterling W. W. Belliveau
Minister of Fisheries and Aquaculture

Financial Results

Fisheries and Aquaculture

	2011-12 Estimate ($thousands)	2011-12 Actual ($thousands)
Administration	570	526
Aquaculture	1,748	1,807
Fisheries & Aquaculture Loan Board	779	752
Inland Fisheries	1,981	2,151
Marine Fisheries	3,384	3,049
Total Gross Departmental Expenses	**8,462**	**8,284**
Additional Information		
Fees and Other Charges	(992)	(1,153)
Ordinary Recoveries	0	(5)
TCA Purchase Requirements	30	28
Provincial Funded Staff (FTEs)	85	74

Note: Operational category changes reflect department's reorganization which occurred in fiscal 2011-12 and 2012-13.

Measuring our Performance

Sustainable Resource Management

SQUARE METERS OF FISH HABITAT RESTORED

The department administers the Sportfish Habitat Fund as the primary revenue source for the Adopt-A-Stream program, which supports projects aimed at improving access to recreational fishing. Adopt-A-Stream supports community groups working to restore and rehabilitate fish habitat. Funding for this program comes from a $5.71 levy on each angling licence sold. This investment is matched by cash and in-kind contributions from community groups on a 3 to 1 basis. The economic model for Adopt-A-Stream estimates that each square meter of restored habitat is valued at about $13.

WHAT DOES THE MEASURE TELL US?

This measure shows the number of square metres of fish and riparian habitat restored along Nova Scotia's inland waters and streams.

WHERE ARE WE NOW?

The department helped 22 community groups restore approximately 80,000 square meters of fish habitat in 2011 and plant 15,725 trees. Volunteers have worked more than 87,000 hours and restored more than one million square metres of aquatic habitat since the program's inception.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to restore 115,000 square metres annually through this program.

PERCENTAGE OF 'LOWER RISK' MARINE AQUACULTURE SITES MONITORED UNDER THE AQUACULTURE ENVIRONMENTAL MONITORING PROGRAM (EMP)

Environmental monitoring and reporting helps ensure long-term environmental sustainability and builds public confidence in the industry[1].

WHAT DOES THE MEASURE TELL US?

This measure shows the percentage of lower risk sites currently monitored under the environmental monitoring program.

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[1]The EMP uses a risk-based approach. Higher-risk sites (usually finfish and mussel sites) are typically larger and more productive, using cages and lines. Sites are lower-risk when they are inactive or use low-density production methods, such as bottom culture and oysters.

WHERE ARE WE NOW?
Baseline monitoring was completed for 100 percent of 'higher-risk' sites and all active 'higher-risk' sites are monitored regularly. During the 2011 EMP season, an additional five lower risk sites were monitored, therefore increasing the percentage of sites monitored. Changes in the program resulted in a shift in focus to sampling and audit of higher risk sites.

WHERE DO WE WANT TO BE IN THE FUTURE?
The department's audit program is firmly in place and will continue in accordance with the standards developed for the industry. The reporting on monitoring statistics is now complete as full compliance is required by aquaculture firms conducting marine finfish aquaculture.

Industry Growth and Development

VALUE OF AQUACULTURE LANDINGS
The department is developing an aquaculture strategy to guide the ongoing sustainable development of the industry. The strategy will align with the government's *jobsHere* plan to create good jobs and grow the economy.

WHAT DOES THE MEASURE TELL US?
This measure shows the dollar value of sales from Nova Scotia's aquaculture farms.

WHERE ARE WE NOW?
Nova Scotia's aquaculture industry generated $43 million in 2011, up slightly from $41 million the previous year. Finfish farms have a two-year growing cycle, and values generally fluctuate in alternating years. The sales value is expected to increase in 2012 to higher levels than in 2010. Employment in 2011 of 549 jobs is down from 2010 levels of 752 as the production from shellfish farms has dropped significantly from 2010.

WHERE DO WE WANT TO BE IN THE FUTURE?
The department aims to help Nova Scotia's aquaculture industry grow to $125 million by 2016. This will help create new jobs in both primary production and seafood processing. The strategy that is currently under development outlines six priorities to help grow the industry: public confidence; access to sites; innovation, productivity, and competitiveness; fish health; policy; and environmental management.

DOLLAR VALUE OF SPORTFISHING ACTIVITIES TO THE PROVINCE

Sportfishing continues to be one of Nova Scotia's most popular outdoor recreational activities. The department participates in a National Survey of Recreational Fishing activity every five years. Among other data related to managing the sportfishery, detailed information on angler expenditures is collected.

WHAT DOES THE MEASURE TELL US?

This measure shows the value of economic activity generated by Nova Scotia's sportfishing sector.

WHERE ARE WE NOW?

Results for Nova Scotia from the 2010 national survey indicate that 57,755 adult anglers and at least 14,466 youth participated in the sportfishery, for a total of 72,221 active anglers. This represents a significant increase of 26 percent since 2005. Based on per-angler expenditure, the sportfishing sector produced $86 million in economic activity in 2010. This is consistent with the previous year's total and with the target for 2010-11.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to increase the value of Nova Scotia's sportfishing sector over time with continued promotions aimed at attracting new and non-resident anglers, youth and women, and the ongoing efforts to stock inland lakes and streams with appropriate salmon and trout species.

BOAT BUILDING SALES

The department continues to promote Nova Scotia's boat building sector both domestically and in foreign markets. This includes championing the industry's interests, and delivering the Boat Builders Marketing Assistance program from 2009 through 2011. Funds through this program (federal investments through the Community Development Trust) were primarily aimed at helping the sector compete in export markets.

WHAT DOES THE MEASURE TELL US?

This measure shows the dollar value of domestic and export sales from Nova Scotia's boat building sector.

WHERE ARE WE NOW?

Total boat sales were over $70 million in 2011, representing a 16 percent increase over 2010. Domestic boat sales increased to just over $50 million in 2011 from $45 million the previous year. Export sales also increased to $20 million, or about $5 million more than 2010. Boat sales were buoyed by domestic orders for "big hull" fishing boats, the on-going reconstruction work on the Bluenose II schooner, and a new commercial boat order from the United States. Repair and refit work continues to represent a significant portion of this sector.

WHERE DO WE WANT TO BE IN THE FUTURE?
The department aims to encourage long-term growth in the boat building sector.

VALUE OF INDUSTRY SALES RESULTING FROM MARKET DEVELOPMENT PROJECTS AND TACTICS
The department provides marketing and market-development support including participation in trade shows, incoming and outgoing buyer missions, and trade promotion, to help Nova Scotia's agri-food and seafood industries seize new market opportunities.

WHAT DOES THE MEASURE TELL US?
This measure refers to the sales value of agri-food and seafood produced in Nova Scotia.

WHERE ARE WE NOW?
The department's role in providing marketing and market-development support was transferred to Economic and Rural Development and Tourism in 2011-12. The department aided in this transition by supporting Economic and Rural Development and Tourism in marketing and market-development as needed.

WHERE DO WE WANT TO BE IN THE FUTURE?
Economic and Rural Development and Tourism will be responsible for marketing and market-development projects and tactics in the future.

VALUE OF NEW INVESTMENT IN INDUSTRY SECTORS DIRECTLY ATTRIBUTED TO INVESTMENT RECRUITMENT EFFORTS
The province recently unveiled a new immigration strategy designed to attract new Canadians to settle in Nova Scotia. The Department of Fisheries and Aquaculture (in cooperation with the Department of Agriculture) is committed to providing information, advice and other support to new immigrants looking to invest in Nova Scotia's seafood and agri-food industries.

WHAT DOES THE MEASURE TELL US?
This measure shows the dollar amount of investment made in Nova Scotia's seafood and agri-food industries.

WHERE ARE WE NOW?
The department helped recruit $2.3 million in new investment in 2011-12, exceeding the $2 million target.

WHERE DO WE WANT TO BE IN THE FUTURE?
Investment recruitment efforts will be transitioned to another government department in 2012-13.

LEVERAGING EXTERNAL INVESTMENT DOLLARS: (ratio of Product and Quality Development (PQD) funding invested to total R&D invested through PQD projects)

LEVERAGING EXTERNAL INVESTMENT DOLLARS: (ratio of Product and Quality Development (PQD) funding invested to total R&D invested through PQD projects)
The department works with private, public and non-government partners to provide cost-shared funding to Nova Scotia's agri-food and seafood industries to develop new and value-added products and processes.

WHAT DOES THE MEASURE TELL US?
This measure refers to the ratio of funding invested by the department (through the PQD program) as a percentage of all investment in PQD projects. A downward trend in the ratio invested by the department speaks to the department's success at building relationships with stakeholders and shows a willingness on the part of other organizations to invest in the industry.

WHERE ARE WE NOW?
Based on preliminary estimates, the department invested $111,781 in PQD projects in 2010-11. The ratio of funding was not measured in 2011-12 because Product and Quality Development Division was in the process of re-evaluating its programs, services and the associated measures. Revised programming, services and accountability is nearing completion.

WHERE DO WE WANT TO BE IN THE FUTURE?
Determination of the most appropriate and relevant measures for reporting purposes will be completed and included in 2012-13 Statement of Mandate.

PERCENT OF FISHERIES AND AQUACULTURE LOAN BOARD PRINCIPAL IN ARREARS
The Fisheries and Aquaculture Loan Board provides stable, long-term funding to promote the growth and development of Nova Scotia's fishery and aquaculture industries. The board works with clients to establish repayment schedules and staff follow-up with loan holders who have not repaid loans according to schedule. A high level of arrears suggests difficulties in the industry, and is contrary to the government's fiscal commitment to balance the budget.

WHAT DOES THE MEASURE TELL US?
This measure shows the arrears rate on the loan board's principal.

WHERE ARE WE NOW?
The Fisheries and Aquaculture Loan Board's arrears rate in 2011-12 was 3.3 percent, matching the 3.3 percent the previous year. The arrears rate was lower than the target of four percent or less.

WHERE DO WE WANT TO BE IN THE FUTURE?
The board's target for principal in arrears is four percent or less in 2012-13. The long-term target is to reduce arrears to three percent or less.

FISHERIES AND FISH PRODUCT EXPORTS

Seafood products are Nova Scotia's second leading category of exports, and are an important industry in terms of the province's long-term economic growth. The department continues to promote seafood exports through ongoing trade initiatives such as participation in major international trade shows and incoming and outgoing buyer missions.

WHAT DOES THE MEASURE TELL US?

The measure shows the overall value of Nova Scotia's seafood exports.

WHERE ARE WE NOW?

Nova Scotia exported $902 million worth of seafood in 2011, up by 13.6% ($794 million) from the previous year. Although the global recession continues to have an impact on the export markets, Nova Scotia's seafood market has remained consistent for the past four years.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to see an increase in seafood exports over the long-term. Ongoing support will include targeted development initiatives to increase product values, and market diversification.